

# The Barker Review and London: the Challenge for London Housing

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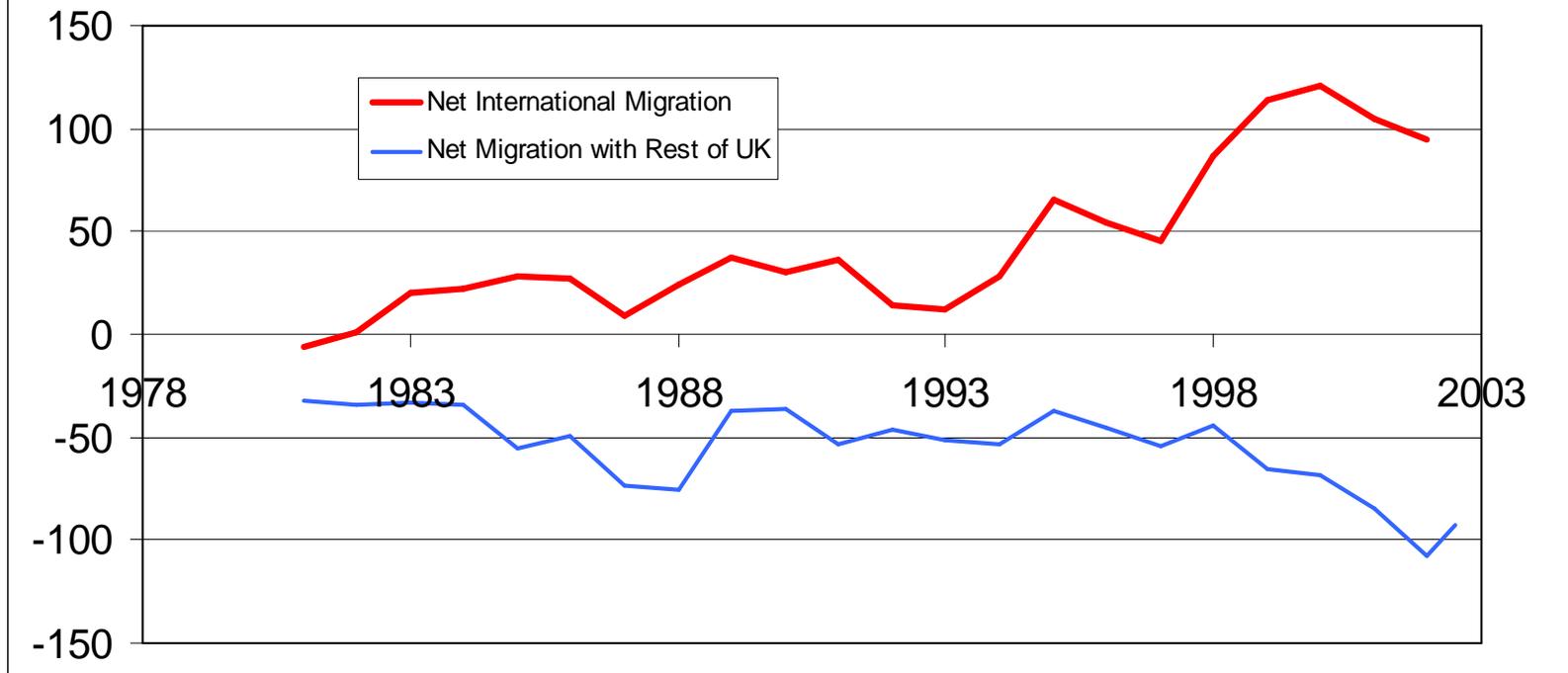
# The Challenge

- Numbers
- Affordability
- Housing Quality
- The Broader Government Agenda

Actual and projected increases in households  
by region in 1981-91, 1991-2001 and 2001-2011

	1981-91 (actual)	1991- 2001 (actual)	(thousands) 2001-11 (projected)
North East	63	36	19
North West	152	134	50
Yorkshire and the Humber	149	103	80
East Midlands	178	148	143
West Midlands	171	128	71
East of England	260	214	272
London	175	252	480
South East	374	286	448
South West	255	201	229
England	1,779	1,499	1,792

### Net Migration to / from Greater London 1981-2003 (000s)



Source: London's Place in the UK Economy 2004



## Households and Dwellings in 1981, 1991 and 2001: Analysis by Region

	1981	1991	2001	Changes	
				1981-1991	1991-2001
<b>North</b>					
Dwellings	5561	5898	6270	337	372
Households	<u>5356</u>	<u>5722</u>	<u>6006</u>	<u>366</u>	<u>284</u>
Crude Surplus	205	176	264	-29	+88
<b>Midlands</b>					
Dwellings	3404	3727	4022	323	295
Households	<u>3270</u>	<u>3620</u>	<u>3899</u>	<u>350</u>	<u>279</u>
Crude Surplus	134	107	123	-27	+16
<b>South</b>					
Dwellings	6287	7213	7881	926	668
Households	<u>6046</u>	<u>6938</u>	<u>7617</u>	<u>892</u>	<u>679</u>
Crude Surplus	241	275	264	+34	-11
<b>London</b>					
Dwellings	2661	2914	3110	+253	<b>+196</b>
Households	<u>2635</u>	<u>2811</u>	<u>3094</u>	<u>+176</u>	<b><u>+283</u></b>
Crude Surplus	+26	+103	+16	+77	<b>-87</b>
<b>England</b>					
Dwellings	17912	19753	21282	+1841	+1529
Households	<u>17306</u>	<u>19090</u>	<u>20614</u>	<u>+1784</u>	<u>+1524</u>
Crude Surplus	+606	+663	+698	+57	+5

Source: AE Holmans, Households and Dwellings in England in 1991 and 2001: A Post 2001 Census Analysis Research Report X Cambridge Centre for Housing and Planning Research, Cambridge University

# Housing Completions

	1992/3 (000s)	%	2002/3 (000s)	%	% Households
North	38.7	27	37.2	27	29
Midlands	30.6	21	28.8	21	19
South	59.0	41	56.2	41	37
London	14.4	10	15.8	11	15
England	142.5	100	137.9	100	100

Source: ONS Regional Trends



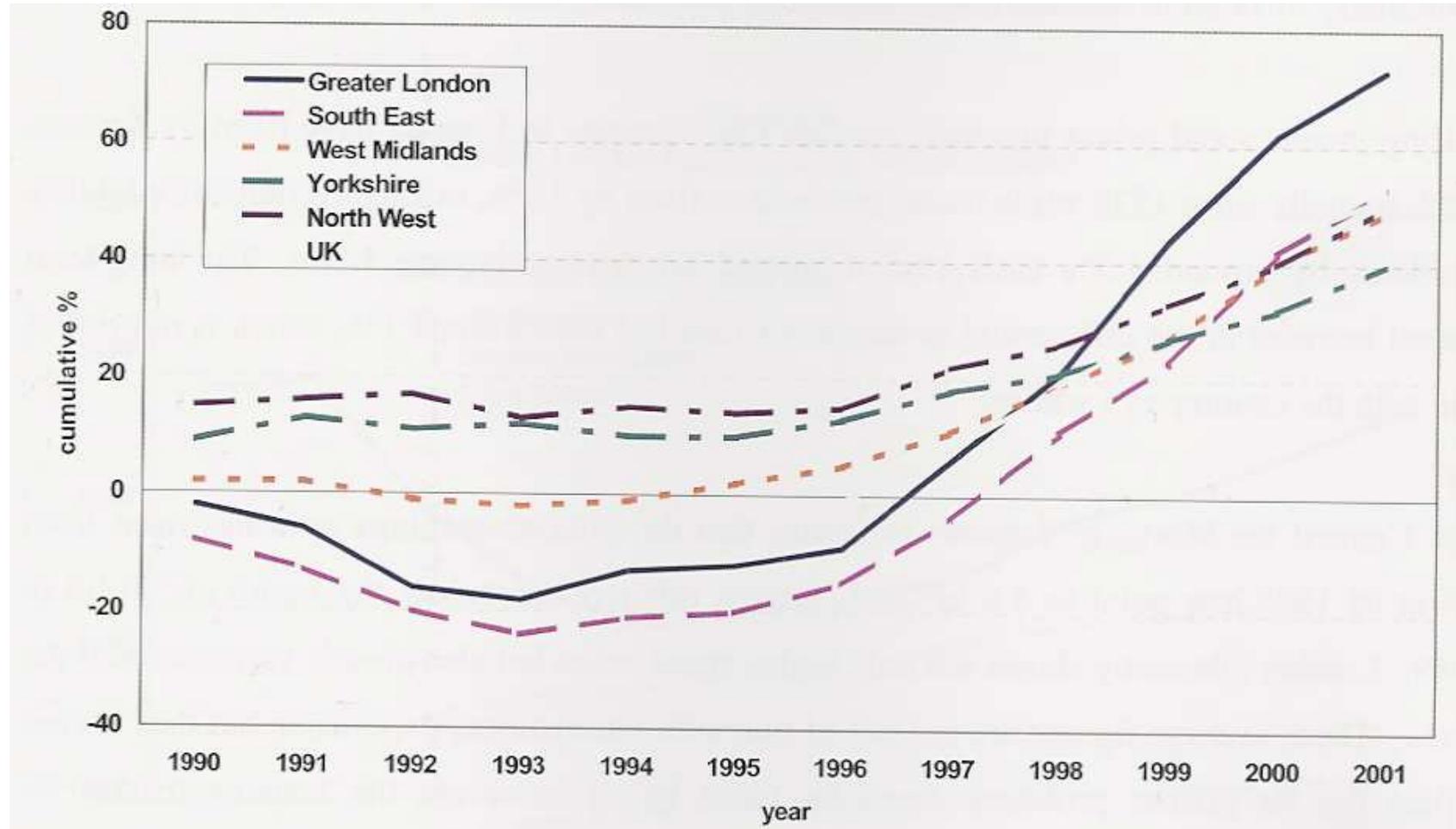
## Tenure by Region % (dwellings)

	Owner-occupied	Private Rented	Social Rented
London	59.4	15.7	24.9
North East	65.6	7.1	27.1
West Midlands	71.4	7.7	20.9
South East	75.9	10.6	13.4

Source: ODPM Housing and Construction Statistics



## Mix-adjusted House Price Indices 1990-2001



Source: ODPM



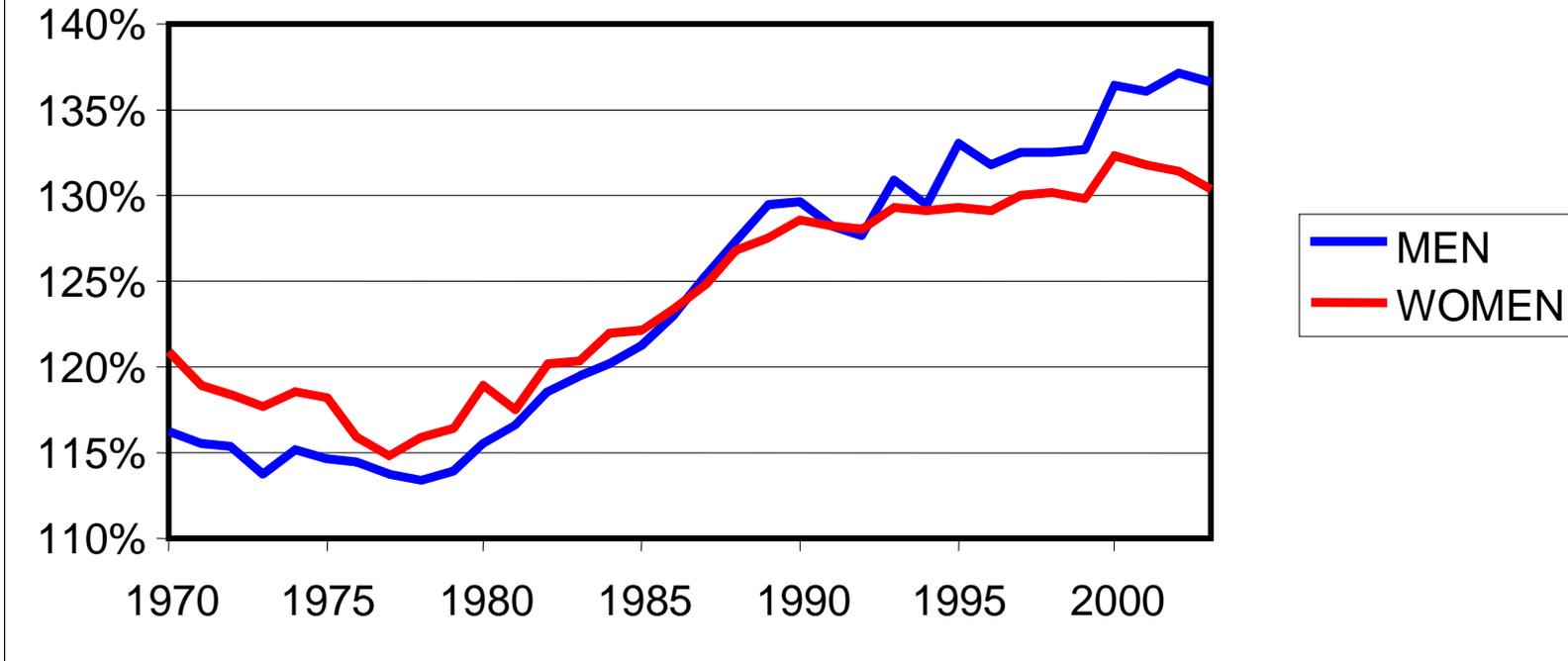
Table 7: Relative House Prices across Regions 1994-2004  
(North = 100)

	1994	1999	2003	2004
East Anglia	119	130	167	152
East Midlands	110	113	136	129
Greater London	174	237	287	257
North	100	100	100	100
North West	114	106	112	108
South East	161	182	228	200
South West	129	136	193	175
Wales	106	102	112	113
West Midlands	118	123	145	135
Yorkshire and Humberside	108	104	114	111

Source: CML



**Average Weekly Earnings of Full-time Men and Women Workers:  
Greater London relative to Great Britain  
(1970-2003)**



Source: London's Place in the UK Economy 2004



# Measures of Pressure

	London	Rest of England	London as % England
Homelessness			
Acceptances 2003/4 (000s)	31.5	105.5	23
Per thousand households	9.3	6.0	
Crowding			
1. Below bedroom standard (000s)	171	341	33
% of households 1999-2001	5.1	1.9	--
2. More than 1 person per room (000s)			
1991	113.5	275.0	29
2001	150.0	236.8	39
% change 1991-2001	+32%	-13.9%	
3. Concealed households 2001 (000s)	35.4	125.6	22

Sources: Census 1991, 2001; Survey of England Housing 2000, 2001; Housing Statistics 2004



## Measures of Quality: Unfit Dwellings 2003

	Numbers	% of England Total	% Household
North	426,219	35.3	29
Midlands	222,772	18.5	19
South	331,068	27.5	37
London	225,850	18.7	15
England	1,205,909	100	100

Source: HIP Housing Strategy Statistical Appendix



# The Broader Urban Agenda

- Sustainability
- Densification
- Reuse of brownfield sites
- Mixed communities
- Infrastructure provision
  - Physical
  - Social
- Thames Gateway



# The Broader Housing Agenda

- Safe, secure housing for all
- Building communities
- Incentivising social tenants
- Expanding owner-occupation
- More effective use of housing assets

# Numbers Required: The London Plan

## Aspiration

- 33,600 net additions per annum
- 25,700 affordable of which
- 5,000 intermediate market



## Plan:

- Minimum target 23,000 per annum
- Maximum reasonable contribution of affordable housing through S106: objective 50%
- Review in 2006



# Numbers being Produced

Dwellings Completed in London		
	ODPM Data	GLA
2000/01	14423	18103
2001/02	14021	18191
2002/03	15764	19747
2003/04	19394	28825
2004/05	24112	25765
Dwellings Started in London		
2000/01	16015	22854
2001/02	18035	27772
2002/03	15839	29833
2003/04	17377	28790
2004/05	24880	29128

Source: GLA



## Numbers of Additional Affordable Homes (000s)

	1999/00	2000/01	2001/02	2002/03	2003/04	2004/05
London	8.1	9.1	7.1	7.4	8.8	8.6
England	44.3	45.0	29.8	28.8	32.6	33.1
London's %	18	20	24	26	27	26
Section 106 as % Completions						
London	23	21	27	43	44	44
England	21	21	35	44	50	55

Source: HIP



# Affordable Housing Completions by Tenure %

	Rent		Intermediate Tenures	
	2001/02	2004/05	2001/02	2004/05
London	75	68	20	29
England	77	65	13	28

Source: HIP



# Conclusions: the Tensions

- Massive challenge requiring a step change
- Economic realities
  - income elasticities with respect to space
  - price elasticities of supply
  - income distribution
  - macroeconomic cycle
- Lack of funding for affordable housing and for infrastructure - next CSR very tight; potential for PSG
- Other agendas
- Political and democratic will

